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The first strategies for F&N future plan is to development new manufacturing facility. Manufacturing facility is to increasing the number of producing F&N product and services at new geographic areas. F&N plan to open new development in Johor Bharu, Kajang and Selangor. It is the part of F&N strategy to explore value enhancing initiatives for its existing land assets that are primed for development. The current geographic of F&N are Petaling Jaya. The second strategy for F&N future plan is developing other mixed-used developments. Currently in section 13, Petaling Jaya already has a mixed-used of development by F&N. the realization of value from its landbank could further enhanced the group's prospects and boost its share value. For example, 61 acres in Mukin Hulu Semenyih, distric of Hulu Langat, has been earmarked for the development of residential properties.

The third strategy for F&N future plan is joint venture or horizontal strategy. Horizontal strategy will enhanced the transfer of resource. F&N and its property arm, Vacaron Co Sdn Bhd will team up with Singapore's FCL centrepont Pte Ltd to develop two parcels in Petaling Jaya. The joint venture would enable the group to maintain its focus on its core business of food and beverages without diverting a large amount of its resources into the redevelopment project. The last strategy for F&N future plan is to do product development. Product development is a strategy that seeks increased sales by improving or modifying present product or services. Product development usually entails large research and development expenditures. F&N potentially is exploring other strategies to lift earnings, the research house adds. For example F&N is looking to launch its carbonated cola flavored drink in peninsular Malaysia.

Question 2

Describe the collaboration of F&N and its partner, and the potential benefits derived from such arrangement. F&N and its property arm, Vacaron Co Sdn Bhd will team up with Singapore's FCL centrepont Pte Ltd to develop two parcels in Petaling Jaya. The joint venture would enable the group to maintain its focus on its core business of food and beverages without diverting a large amount of its resources (monetary and non-monetary) into the redevelopment project. The potential benefit derived from the collaboration is F&N can develop new products or improved services. By collaboration of F&N and Singapore's FCL Centrepont Pte Ltd, can enhanced their knowledge and technology in food beverage. In the same time F&N can improved their product and services. The other potential benefit derived from the collaboration is financial savings and better use of existing resources. By collaboration, F&N can reduce its resources in term of monetary and non-monetary. It is because F&N will have more existing resources.

Their partner will also share the resources and it will lead to the high production activity. Next potential benefit derived from the collaboration is wider geographical reach or access to new beneficiary groups. These mean F&N easily to access Singapore as a new market development. F&N can distribute their product to the other market and increasing their target market. Consumer also will know and buy F&N products, in the same time F&N will become international product if they collaborate with other country. F&N will have bright future in increasing their target market and profit. The forth potential benefit derived from the collaboration is haring the risk in new

and untested projects. Collaboration just not shares the profit gain but also the risk maybe face by the business. So, by collaboration F&N can reduce the risk involve in the business. F&N will not suffer a high loss if the product is not going well by the customer. The last potential benefit derived from the collaboration is mutual support between organizations. Ultimately collaborative working should enable you better to meet your beneficiaries' needs. When the two companies collaborate, it will bring a good image and high expectation. They will combine their competitive advantage to be a good leader in the manufacturing foods and beverages. Question 3

Suggest any two (2) marketing effort to boost F&N My Cola sales. The first marketing effort to boost F&N My Cola sales is selling product and services. Selling includes many marketing activities such as advertising, sales promotion, publicity, personal selling, sales force management, customer relations, and dealer relations. Advertising is most important for F&N My Cola as Consumer Goods Company. F&N My Cola should do internet advertising to boost their sales. It is because internet advertising revenues received from firm such as google reach a record \$12. 1billion in the first half of 2010. From that, we can saw that people more attractive to internet. F&N My Cola can take this opportunity to advertise their new product. Internet advertising also have world wide of consumer, so when more people saw F&N advertising it will lead to gain more customer. F&N also should create their Facebook page. Facebook is a private company and the world's largest social network may epitomize where the advertising industry going. Facebook subtly inject the advertiser's brand into the user's consciousness in order to provoke a purchase down the line by getting you to " like" the brand.

F&N can unveil new products on their Facebook pages. The others promotion can be done by F&N is offers coupons and free products or do competition to it Facebook fans. The second marketing effort to boost F&N My Cola sales is pricing and product planning. F&N should determine the affordable price that consumer can afford to buy their products. Consumer, government, supplier, distributors and competitor will affected by pricing decision. F&N can pursue a forward integration strategy primarily to gain better control over prices charged to consumers. F&N also need to give a lower price than their competitor because if their price to high, consumer will change their brand to the other substitutes product. F&N should always do research about the other competitor price and compare their price with other competitor. Product planning includes activities such as test marketing, packaging and quality. Product planning is important for F&N because the company is pursuing product diversification. F&N need to doing well in packaging the new products to attract customer to buy it product. Packaging can be a new packaging of product or improvement the current existing product to boost F&N My Cola sales. The quality of product F&N is one of the important criteria that F&N need to take action to boost F&N My Cola sales.

Question 4

Besides what has been highlighted in the case study (e. g. floods in Thailand), discuss another two (2) environment forces that could impact a firm's strategy. The other environment forces that could impact a firm strategy are governmental policies. The government policies refers to the laws and legality that guilds the land, they go a long way to affect your business operations as a marketer. For instance, government restriction

on the importation of a particular product might hinder the marketers playing in that particular field. Every country has their own government policies, so firm needs to follow the rule and regulation of the country. Firm strategy also needs to fulfill the regulation that already determine by the country. For example, the other country has their tariff about the number or quantity of import product. The firms need to investigate first all the government policies about the other country before to going the other market distribution. The second environment forces that could impact a firm's strategy are demographic factors. Demography refers to study of people, such as their age, sex, marital status, occupation, and family size.

Though, demography is uncontrollable because you cannot control the sex, age, marital status in your external environment, but accurate forecast of it goes a long way to enabling you as a marketer forecast future trend and consumptions of your product. Before the firms do strategy, they need to identify what are the demographic factors that will influence the strategy that being to implement. For example, every age have a different strategy because their understanding is different. In Malaysia, as we know the family usually live with their big family that include parents and siblings. So firm should promote product that can use by the whole family and can fulfill the needs of each family members. There are a number of demographics that can affect a business.

Demographics are various traits that can be used to determine product preferences or buying behaviors of consumers. Most companies identify their key customers through these various traits. Targeting consumers with similar demographic characteristics helps maximize a company's sales and profits.

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For example, people often prefer certain food and drink flavors in certain markets. Companies that sell the flavors consumers' desire in various areas are more likely to profit. Those who do not offer these flavors may risk losing customers to other competitors. Part B

Question 1

When a company has the opportunity to diversify into other products or businesses, would the management opt to pursue related diversification, unrelated diversification or combination of both? Explain. There are two types of diversification strategies: related diversification and unrelated diversification. Related diversification is their value chains possesses competitively valuable cross- businesses strategic fit. Unrelated diversification is their value chains are so dissimilar that no competitively valuable cross-business relationships exist. If the company has the opportunity to diversify into other products or businesses, the management should pursue both of the diversification. It is because the both of diversification have their own advantages. The company should produce new product that related and unrelated with their current product. The first diversification strategy is related diversification. Most companies favor related diversification strategy in order to capitalize on synergies. When the management pursues related diversification strategy, they can transfer competitively valuable expertise, technology know-how or other capabilities from one business to another. The firm can use their existing expertise and technology for their new product. The firm also already has expertise with their current knowledge about their business, so the firm can give a high achievement towards the new product.

They would reduce the risk in the fail of product produce. The other capitalize on synergies that can be achieve of related diversification is combining the related activities of separate business into a single operation to achieve lower cost. When the firms produce the product is related with their current value chains, they can use a single operation that can reduce their cost of production. Because of that, the firm can generate more profit from the new product that they produce. Exploiting common use of a well-known brand name is other synergies that firm can capitalize. For example, Nestle is common use of a well-known brand name as a food manufacturer, so when Nestle produce other related diversification product, they not be worried because customer already know that the firm is brand name for food manufacturer. Customers have high confidence to the firm that using related diversification strategy. Customer loyalty will use the same brand, even though it is new product of the brand. So, the firm that using related diversification already has their customer to buy their new product. Unrelated diversification strategy favors capitalizing on a portfolio of businesses that are capable of delivering excellent financial performance in their respective industry.

Firm that use unrelated diversification strategy can spread their business risk across different industry. For example, firm A is manufacturing in food industry and the firm want pursue a new business in manufacturing in fashion industry. When the food industry faces a downturn problem, it will not affect the fashion industry. So the firm can reduce their business risk and the fashion industry can cover the losses in food industry. By using unrelated diversification strategy, the company will continually search across different

industries to deal with and have potential to provide high return on investment. When a company has the opportunity to diversify into other products or businesses, the management would pursue combination of both related diversification and unrelated diversification because related diversification has their own customer loyalty. The unrelated diversification can spread the business risk of the firm. When the firm uses both of strategy, it will be more systematic strategy and increase their profit

Question 2

(a) Discuss how value chain analysis and benchmarking help firms to determine the competitiveness of prices and costs. Value chain analysis refer to the process where by a firm determines the cost associated with organizational activities from purchasing raw material to manufacturing products to marketing those products. From that cost, firm can determine the competitiveness of price and costs of the product. The price must above the cost that involve in producing the product. Value chain analysis aims to identify where low cost advantages or disadvantages exist anywhere along the value chain from raw material to customer service activities. The firm can improve their disadvantage that exists in their cost production. From it the firm can determine the competitiveness of costs. The firm also can reduce which cost is not related with their product. For example cut the cost that not important in the manufacturing the product. Value chain analysis can enable firm to better identify its own strength and weaknesses, especially as compared to competitors' value chain analyses and their own data examined over time.

When a major competitor or new market entrant offers products or services at very low prices, this may be because that firm has substantially lower value chain costs or perhaps the rival firm is just waging a desperate attempt to gain sales or market shares. The firm can determine the competitiveness of prices and cost after they compare their own value chain analysis with other competitor. From the comparison, the firm can determine which price is valuable. More companies are using value chain analysis to gain and sustain competitive advantage by being especially efficient and effective along various part of the value chain. For example, Wal-Mart has built powerful value advantages by focusing on exceptionally tight inventory control, volume purchasing of products, and offering exemplary customer service. Benchmarking is an analytical tool use to determine whether a firm's value chain activities are competitive compared to rivals and thus conducive to winning in the marketplace.

Benchmarking entails measuring costs of value chain activities across an industry to determine "best practices" among competing firm for the purposes of duplicating or improving upon those best practices.

Benchmarking enables a firm to take action to improve its competitiveness by identifying value chain activities where rival firms have comparative advantages in cost, service, reputation or operation. From the benchmarking the firm can know which is the best practices in the competing, so the firm must improving or duplicate their prices become similar with the best practices prices. b) Elaborate the two most important parts of SWOT analysis. The strength, weaknesses, opportunities and threat (SWOT) matrix

is an important tool that helps manager develops four types of strategies. i) SO strategies

One of the most important parts of SWOT analysis is SO strategies. SO strategy is based on strength and opportunities internal and external of the company. It is important because firm can use the strength to enhance the firm ability by take external opportunity. All managers would like their organizations to be in a position in which internal strength can be used to take advantage of external opportunities. For example, the company has specialized on repairing computer and just has 3 workers at that department. The external opportunity is, number of computer broken increase from time to time. Company can use their strength by add up workers in that department, so they can take more cases of repairing computer.

ii) WT strategies

The second of the most important part of SWOT analysis is WT strategies. WT strategy is defensive tactics directed at reducing internal weaknesses and avoiding external threats. Firm those have both weaknesses and threat need to be more effort to avoid from bankruptcy. An organization faced with numerous external threats and internal weaknesses may indeed be in a precarious position. For example of WT strategies is the firm needed to hire 2 new cashiers. The strategy comes from the internal weaknesses of the firm which is customer checkout process too slow and the external threat is the face is new mall being built nearby. WT strategy as the match in an organization makes between its internal resources and risk created by its external factors.

Question 3

a) Will intuition be useful for studying competitors and trying to predict what moves rivals will make next? Discuss. Based on past experiences, judgment and feelings, most people recognize that intuition is essential to making good strategic uncertainty or little precedent. It is also helpful when highly interrelated variables exist or when it is necessary to choose from several plausible alternatives. Intuition can be used for studying competitors and predict what moves rivals will make next. Some manager and owners of businesses profess to have extraordinary abilities for using intuition alone in devising brilliant strategies. Intuition is useful for studying competitors and trying to predict what moves rivals will make next. Manager can expect what will happen in the future based in their intuition. For example, Will Durant, who organized GM, was described by Alfred Sloan as “ a man who would proceed on a course of action guided solely, as far as I could tell by some intuitive flash of brilliance. He never felt obliged to make an engineering hunt for the facts. Yet at times, he was astoundingly correct in his judgment”. Albert Einstein said that “ I believe in intuition and inspiration”.

Imagination is more important than knowledge, because knowledge is limited, whereas imagination embraces the entire world. Most organization can benefit from strategic management, which is based upon integrating intuition and analysis in decision making. Choosing an intuitive or analytical approach to decision making is not an either or proposition. Managers at all level in an organization inject their intuition and judgment into strategic management analyses. Analytical thinking and intuitive thinking complement each other. b) Resources are firm's assets. Using examples, briefly explain

any three (3) intangible resources and tangible resources. The intangible assets are the most important sources of the organization that grant competitive advantages to other companies. The organization that has an excellent operative process, knows their segment in the market and possess the knowledge to develop a unique product, and has the ability of motivating their employers, will have a guaranteed success. There are three intangible resources, which are patents, trademarks and copyright. Patent is a contract between the government and an inventor.

In exchange for the disclosure of the invention, the government grants the inventor exclusivity regarding the invention for a specified amount of time. At the end of this time, the government publishes the invention and it becomes part of the public domain. A utility patent basically grants the owner protection from anyone else making, using, selling the identified invention and generally reflects protection of new, useful, and unobvious processes such as film developing and chemical compounds of ingredients. Trademarks may be a word, symbol, design or some combination of such or it could be a slogan or even a particular sound that identifies the source or sponsorship of certain goods or services. Unlike patent, a trademark can last indefinitely as long as the mark continues to perform its indicated function. Trademark is given an initial 10 year registration with 10 year renewable terms. Copyright is protecting original works of authorship. The protection in a copyright does not protect the idea itself, and thus it allows someone else to use the idea or concept in a different manner.

The copyright law becomes especially relevant because of the tremendous growth of the use of the internet, especially to download music, literary

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work, pictures and videos, to name a few. Tangible assets are used in the operation of a business to produce goods or provide a service. Businesses also use these assets as collateral to obtain loans or sell the assets to improve the company's cash flow. Tangible assets increase a company's market value. The example of tangible asset is land. It can be described in terms of their physical makeup. In addition, because tangible assets are often purchased, they can be valued at cost. Land is something that we can touch and see it clearly. The other tangible asset is buildings and machines. Building and machines can depreciate over time and receive special treatment from an accounting perspective to best match the cost of the asset to the revenues generated by the asset. Machines is use for operate daily operation to produce product of the firm. Usually firm will maximize of using machines to get large of product produce. Indirectly the profit of the firm will increase.

Question 4

a) Explain why Telekom needs to have a mission statement.

Telekom needs to have a mission statement because to ensure unanimity of purpose within the organizations. Telekom also needs to have a mission statement to provide a basis or standard for allocating organizational resources. It is refer to the company's plan in running their activities in organization. When Telekom has their mission, they can allocate the resources based on their mission. The other reasons Telekom needs a mission statement because to serve as a focal point for individuals to identify with the organization's purpose and direction, and to deter those who cannot from participating further in the organization's activities. The manager and

employee of Telekom have a right way to follow and have their own objectives to achieve. The mission will give a right direction to all employees in Telekom. Other than that Telekom can achieve higher organization performance. The organization able to achieve higher and greater performance when they have their own mission. Telekom will more understand what their goal if they have mission statement. Telekom needs to have a mission statement to specify organizational purposes and then to translate these purposes into objective. b) Explain any five (5) components of mission statement.

The first component of mission statement is customer. The mission statement involves the firm customer. The organization will focus to their own customer that will use their product or will using their service. The example of mission that contain component of customer is from Johnson & Johnson. The mission is we believe our first responsibility is to the doctor, nurse, patients, mothers, and all others who use our products and services. The second component of mission statement is products or services. In the mission statement state that what are the firm's major products or services. The organization focus on what are they produce for their customer. For example AMAX Engineering Company focuses on molybdenum, coal, iron ore, copper, lead and magnesium. When the organization have component of product or services in their mission statement, the organization will have a right plan to do and enhanced their product only. The third component of mission statement is self-concept. Self- concept means the company distinctive competence or major competitive advantage. For example the mission statements that contain self-concept are maintaining the highest

quality product, embracing the technology to reduce cost and enhanced service level.

The organization has their own competitive advantages that make a different from other organization. The fourth component of mission statement is concern for public image. It shows that the firm is responsive to social, community and environmental concerns. For example the mission statement of Air Asia is to attain lowest cost so that everyone can fly with Air Asia. The organizations include the concern for public image in their mission to attract the public to buy and use their product or services. The last component of mission statement is concern for employees. Concern for employee means the organization involves their benefit of employee in the mission statement. For example the mission statement is concern for employee is to be the best company to work for whereby employees are treated as part of a big family. The organization that contains concern for employee is to attract employee to work hard and give a fully commitment to the firm to achieve their goal.

Question 5

Using the porter's five forces model of competitive analysis, analyze the Malaysian Car industry. The porter's five-forces model are rivalry among competing firm, potential entry of new competitor, potential development of substitute product, bargaining power of supplier and bargaining power of consumers. First we look at rivalry among competing firm. Rivalry among competing firm is usually the most powerful of the five competitive forces. The strategies pursued by one firm can be successful only to extent that they provided competitive advantage over the strategy pursued by rival firm.

For example in Malaysia car industry, we can see that Proton and Perodua
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compete each other because they producing a same product and same industry.

Competition between Proton and Perodua is very high. It is because their target market is same which Malaysians citizen. Proton and perodua can changes their strategy to be a competitive advantage by lowering prices, enhancing quality of car, adding features of the car and increasing advertising of their new product. The second porter five-forces model is potential entry of new competitor. Potential entry of new competitor is new firm can easily enter a particular industry, the intensity of competitiveness among firm's increases. Because of that barriers to entry need to be done because it will reduce the competitor enter an industry. The other car industry difficult to enter Malaysian car industry because they need to gain economies of scale quickly, the need to gain technology and specialized know how, the lack of experience, strong customer loyalty, strong brand preference and large capital requirements. For example, outsider car not easily enter Malaysian car industry because Malaysia have their own tariff. Trading of outsider car need to follow the regulations that been implemented in Malaysia. It is one way to overcome potential entry of new competitor into Malaysian car industry.

The third porter five-forces model is potential development of substitute product. Potential development of substitute product is firm are close competition with producers of substitutes products in other industries. The presence of substitute's products puts a ceiling price that can be charge before consumers will change to the substitute's product. Competition of Malaysian car industry becomes increase when increasing of substitute's

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product and as the relative prices of the substitutes products decrease. For example when the substitute's product of car such as public transport is cheaper than car, consumer willingness to use public transport rather than car. Customer very important at this time, where customer still using our brand because they believe that our brand is very good and high quality. Malaysian car industry needs to enhance their quality and feature of the car. The fourth porter five-forces model is bargaining power of supplier. Bargaining power of supplier affects the intensity of competition in car industry in Malaysia. Especially when there is a large number of supplier, when there are only a few good substitute raw material or when the cost of switching cost raw material is high.

Malaysia car industry should pursue a backward integration strategy to gain control or ownership of suppliers. This strategy is especially effective when suppliers are unreliable, too costly, or not capable of meeting a firm's need on a consistent basis. Malaysia car industry should develop their own expertise and raw material of the car to control their supplier. The last porter five-force is bargaining power of consumers. Bargaining power of consumers is when consumers are concentrated or large in number or buy in volume. Their bargaining power represents a major force affecting the intensity of competition in car industry. Malaysia car industry may offer extended of car loan or special service to consumer to gain consumer loyalty whenever the bargaining power of consumer is substantial. Bargaining power of consumer also is higher when the products being purchased are standard or undifferentiated. When the Malaysian car is no different with outsider car, consumer often can negotiate selling price, warrant coverage and accessory

packages to a greater extent. Consumer gain increasing bargaining power under the following circumstances. First if customer can inexpensively switch Malaysia car with other outsider car. Second if consumer is particularly important to the seller. Third, if seller is struggling in the face of failing consumer demand.